

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE REPUBLIC OF CAMEROON
REGARDING THE CONSOLIDATION, REDUCTION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED
BY THE UNITED STATES GOVERNMENT AND ITS AGENCIES

The United States of America (the "United States") and the Republic of Cameroon ("Cameroon") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the consolidation of Cameroon's debts, signed at Paris on October 24, 1997, (hereinafter referred to as the "Minute") by representatives of certain nations, including the United States (hereinafter referred to as the "Participating Creditor Countries"), and by the representative of Cameroon, in accordance with the applicable domestic laws of the United States and Cameroon, the United States and Cameroon agree to consolidate, reduce and reschedule certain Cameroonian payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its Agencies, as provided for in this Agreement.
2. The Department of Defense will implement this Agreement with respect to amounts due to the Department of Defense by notification to Cameroon of the amounts rescheduled hereunder, a principal repayment schedule of those amounts, and the appropriate interest rate.

ARTICLE II

Definitions

1. "Contracts" means those agreements or other financial arrangements which have maturities under:
 - (a) Commercial credits guaranteed or insured by the United States or its Agencies, having original maturities of more than one year, and which were extended to the Government of Cameroon or covered by a guarantee of the Government of Cameroon, pursuant to an agreement concluded before December 31, 1988.
 - (b) Loans from the United States or its Agencies, having original maturities of more than one year and which were extended to the Government of Cameroon or covered by a guarantee of the Government of Cameroon, pursuant to an agreement concluded before December 31, 1988.
 - (c) The bilateral debt rescheduling agreement between the United States and Cameroon signed on January 3, 1990, ("Rescheduling Agreement of 1990") and the bilateral debt rescheduling agreement between the United States and Cameroon signed on August 19, 1992, ("Rescheduling Agreement of 1992").

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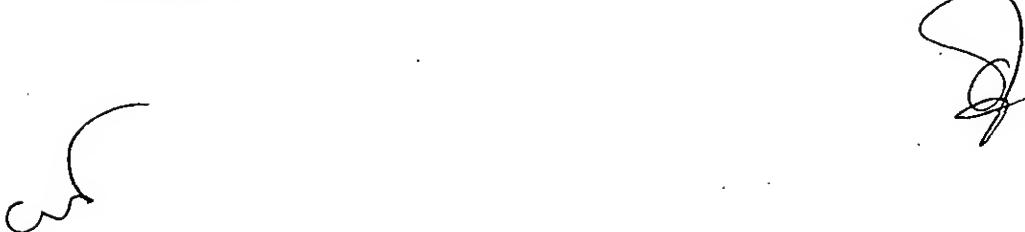
- (d) The bilateral debt rescheduling agreement between the United States and Cameroon signed on September 12, 1994 ("Rescheduling Agreement of 1994"), excluding Article III Paragraphs 2 and 4 thereunder, and the bilateral debt rescheduling agreement between the United States and Cameroon signed on May 6, 1996 ("Rescheduling Agreement of 1996"), excluding Article III Paragraphs 2, 3, and 4 thereunder.
- (e) Article III Paragraph 2 of the Rescheduling Agreement of 1994, and Article III Paragraph 2 of the Rescheduling Agreement of 1996.

A table listing the relevant contracts to be included under the rescheduling is attached hereto as Annex A.

2. "Agencies" means the Department of Defense ("DOD") and the Export-Import Bank of the United States ("Eximbank").
3. "Consolidation Period" means (i) October 1, 1997, through August 31, 1998, inclusive; (ii) if the conditions set forth in Article IV Paragraph 1 of this Agreement are satisfied, the period from October 1, 1997, through August 31, 1999, inclusive; and (iii) if the conditions set forth in Article IV Paragraphs 1 and 2 of this Agreement are satisfied, the period from October 1, 1997 through August 31, 2000, inclusive.

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4. "Principal" means (a) the total amount of principal and interest (which is computed at the rate specified in the respective Contracts) due and unpaid as of September 30, 1997, under the Contracts specified in Article II Paragraphs 1(a), 1(b), and 1(c) of this Agreement, excluding Late Interest Charges; and (b) the total amount of principal and interest due during the Consolidation Period under the Contracts specified in Article II Paragraphs 1(a), 1(b), and 1(c) of this Agreement.
5. "Consolidated Arrears" means 100 percent of the sum of unpaid principal and interest, excluding Late Interest Charges, with respect to the Contracts specified in Article II Paragraphs 1(a), 1(b), and 1(c) of this Agreement, which was due and unpaid as of September 30, 1997, less the Principal cancelled in Article III Paragraph 1 of this Agreement.
6. "Consolidated Debt" means 100 percent of the sum of unpaid principal and interest falling due during the applicable Consolidation Period with respect to the Contracts specified in Article II Paragraphs 1(a), 1(b), and 1(c) of this Agreement, less the Principal cancelled in Article III Paragraph 2 of this Agreement.



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7. "Deferred PRD Arrears" means 100 percent of the sum of unpaid principal and interest, which was due and unpaid as of September 30, 1997, including Late Interest Charges, with respect to the Contracts specified in Article II Paragraph 1(d) of this Agreement.
8. "Deferred PRD Debt" means 100 percent of the sum of unpaid principal and interest falling due from October 1, 1997, through June 30, 1998, inclusive, with respect to the Contracts specified in Article II Paragraph 1(d) of this Agreement.
9. "Reprofiled PRD Arrears" means 100 percent of the interest which was due as of September 30, 1997, including Late Interest Charges, with respect to the Contracts specified in Article II Paragraph 1(e) of this Agreement; and
10. "Reprofiled PRD Debt" means 100 percent of the interest due during the applicable Consolidation Period with respect to the Contracts specified in Article II Paragraph 1(e) of this Agreement.
11. "Late Interest Charges" means, with respect to the Principal, Consolidated Arrears, Deferred PRD Arrears, and Reprofiled PRD Arrears, interest charges payable on due but unpaid amounts of principal and interest, such charges having accrued through September 30, 1997, in accordance

with the terms of the Contracts, notwithstanding the payment of such principal and interest subsequent to the original due dates.

12. "Deferred Late Interest Charges" means Late Interest Charges on Principal.

13. "Interest" means interest payable on the outstanding balance of Consolidated Debt, Consolidated Arrears, Deferred PRD Debt, Deferred PRD Arrears, Reprofiled PRD Debt, Reprofiled PRD Arrears, and Deferred Late Interest Charges, in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on the due dates specified in each of the Contracts for the payments of principal and interest comprising the Consolidated Debt, Deferred PRD Debt and Reprofiled PRD Debt, and beginning on October 1, 1997, for payments of principal and interest comprising the Consolidated Arrears, Deferred PRD Arrears, Reprofiled PRD Arrears, and Deferred Late Interest Charges.

14. "Additional Interest" means interest accruing at the rates set forth in this Agreement on due but unpaid installments of Consolidated Debt, Consolidated Arrears, Deferred PRD Debt, Deferred PRD Arrears, Reprofiled PRD Debt, Reprofiled PRD Arrears, Deferred Late Interest Charges, and Interest beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.

ARTICLE III

Terms and Conditions of Payment

1. The amount equal to 50 percent of the Principal as defined in Article II Paragraph 4(a) of this Agreement is hereby cancelled.
2. The amount equal to 50 percent of the Principal as defined in Article II Paragraph 4(b) of this Agreement is hereby cancelled.
3. Cameroon agrees to repay the Consolidated Debt and Consolidated Arrears in United States dollars in accordance with the following terms and conditions:
 - (a) The Consolidated Debt and Consolidated Arrears shall be repaid in thirty-four (34) consecutive semi-annual installments payable on March 15 and September 15 of each year, commencing on September 15, 2005, according to the following schedule:
 - 0.12% on September 15, 2005;
 - 0.20% on March 15, 2006; 0.28% on September 15, 2006;
 - 0.38% on March 15, 2007; 0.48% on September 15, 2007;
 - 0.58% on March 15, 2008; 0.70% on September 15, 2008;



0.82% on March 15, 2009; 0.94% on September 15, 2009;
1.08% on March 15, 2010; 1.22% on September 15, 2010;
1.36% on March 15, 2011; 1.52% on September 15, 2011;
1.70% on March 15, 2012; 1.86% on September 15, 2012;
2.06% on March 15, 2013; 2.26% on September 15, 2013;
2.46% on March 15, 2014; 2.68% on September 15, 2014;
2.92% on March 15, 2015; 3.18% on September 15, 2015;
3.44% on March 15, 2016; 3.70% on September 15, 2016;
4.00% on March 15, 2017; 4.30% on September 15, 2017;
4.64% on March 15, 2018; 4.98% on September 15, 2018;
5.34% on March 15, 2019; 5.72% on September 15, 2019;
6.12% on March 15, 2020; 6.54% on September 15, 2020;
7.00% on March 15, 2021; 7.46% on September 15, 2021;
7.96% on March 15, 2022.

(b) The rate of Interest on Consolidated Debt and
Consolidated Arrears shall be as follows for the
United States and its Agencies:

(i) The rate of Interest on the Consolidated Debt
and the Consolidated Arrears shall be fixed at
approximately [6.75] percent, determined by
Eximbank to be one-half of one percent (1/2 of
1%) over the interest rate applicable to U.S.
Treasury long-term borrowings that is in effect
on the date of the entry into force of this
Agreement.



(ii) With respect to DOD, the rate shall be approximately [6.375] percent based on the U.S. government cost of borrowing for a comparable maturity which is in effect at the date of signature of this Agreement, plus one-eighth of one percent.

(c) Interest with respect to the Consolidated Debt and Consolidated Arrears shall be paid semi-annually on March 15 and September 15 of each year, commencing on September 15, 1998.

A table summarizing the amount of Consolidated Debt and Consolidated Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 1998, inclusive, is attached hereto as Annex B1. A table summarizing the amount of Consolidated Debt and Consolidated Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 1999, inclusive, is attached hereto as Annex B2. A table summarizing the amount of Consolidated Debt and Consolidated Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 2000, inclusive, is attached hereto as Annex B3.

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4. Cameroon agrees to repay the Deferred PRD Debt and Deferred PRD Arrears in United States dollars in accordance with the following terms and conditions:

(a) The Deferred PRD Debt and Deferred PRD Arrears shall be repaid as follows:

Seventy (70) percent on June 30, 1999; and
Thirty (30) percent on June 30, 2000.

(b) The rate of Interest on Deferred PRD Debt and Deferred PRD Arrears shall be the same as the rates contained in Paragraph 3(b) of this Article.

(c) Interest with respect to Deferred PRD Debt and Deferred PRD Arrears shall be paid semi-annually on June 30 and December 31 of each year, commencing on June 30, 1998.

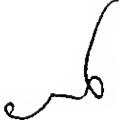
A table summarizing the amount of Deferred PRD Debt and Deferred PRD Arrears is attached hereto as Annex C.

5. Cameroon agrees to repay the Reprofiled PRD Debt and Reprofiled PRD Arrears in United States dollars in accordance with the following terms and conditions:



- (a) The Reprofiled PRD Debt and Reprofiled PRD Arrears shall be repaid in eight (8) equal, semi-annual installments, payable on March 15 and September 15 of each year, commencing on September 15, 2000, and ending on March 15, 2004.
- (b) The rate of Interest on Reprofiled PRD Debt and Reprofiled PRD Arrears for the United States and its Agencies shall be the same as the rates contained in Paragraph 3(b) of this Article.
- (c) Interest with respect to Reprofiled PRD Debt and Reprofiled PRD Arrears shall be paid on March 15 and September 15 of each year, commencing on September 15, 1998.

A table summarizing the amount of Reprofiled PRD Debt and Reprofiled PRD Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 1998, inclusive, is attached hereto as Annex D1. A table summarizing the amount of Reprofiled PRD Debt and Reprofiled PRD Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 1999, inclusive, is attached hereto as Annex D2. A table summarizing the amount of Reprofiled PRD



Debt and Reprofiled PRD Arrears owed to the United States and its Agencies if the Consolidation Period covers the period from October 1, 1997 through August 31, 2000, inclusive, is attached hereto as Annex D3.

6. Cameroon agrees to repay the Deferred Late Interest Charges in United States dollars in accordance with the following terms and conditions:

- (a) The Deferred Late Interest Charges shall be paid no later than March 31, 1998.
- (b) The rate of Interest on Deferred Late Interest Charges shall be the same as the rates contained in Paragraph 3(b) of this Article.
- (c) Interest with respect to Deferred Late Interest Charges shall be paid on March 31, 1998.

A table summarizing the amount of Deferred Late Interest Charges is attached hereto as Annex E.

7. Consistent with Article VI, paragraph 2 of this Agreement amounts of Consolidated Debt, Consolidated Arrears, Deferred PRD Debt, Deferred PRD Arrears, Reprofiled PRD Debt, Reprofiled PRD Arrears, and Deferred Late Interest Charges may be modified by mutual consent.

ARTICLE IV

General Provisions

1. The Consolidation Period is the period from October 1, 1997, through August 31, 1998, inclusive. If (i) the Executive Board of the International Monetary Fund has approved by October 31, 1998, the second annual arrangement of the Enhanced Structural Adjustment Facility ("ESAF") with Cameroon; and (ii) Cameroon has made all payments due under this Agreement and under other bilateral agreements pursuant to the Minute, then the Consolidation Period will be the period from October 1, 1997, through August 31, 1999, inclusive. The longer Consolidation Period will be effective on the date the Paris Club notifies the United States and Cameroon that the above conditions have been met. If the above conditions are not met, all payments which are due and payable under the Contracts on or after September 1, 1998, shall be payable according to the terms of such Contracts.

2. If (i) the conditions in Paragraph 1 of this Article are met; (ii) the Executive Board of the International Monetary Fund has approved by October 31, 1999, the third annual arrangement of the ESAF with Cameroon; and (iii) Cameroon has made all payments due under this Agreement and under

other bilateral agreements pursuant to the Minute, then the Consolidation Period will be the period from October 1, 1997, through August 31, 2000, inclusive. The longer Consolidation Period will be effective on the date the Paris Club notifies the United States and Cameroon that the conditions in (ii) and (iii) have been met. If the conditions in (ii) and (iii) above are not met, all payments which are due and payable under the Contracts on or after September 1, 1999, shall be payable according to the terms of such Contracts.

3. Cameroon agrees to grant the United States and its Agencies treatment and terms no less favorable than that which it accorded, or which it may accord, to any other creditor country or its agencies for the consolidation of debts of comparable maturities.
4. Cameroon will seek to secure from external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minute for credits of comparable maturities making sure to avoid inequitable treatment among different categories of creditors.
5. Cameroon agrees to pay all Consolidated Debt, Consolidated Arrears, Deferred PRD Debt, Deferred PRD Arrears,

Reprofiled PRD Debt, Reprofiled PRD Arrears, Deferred Late Interest Charges, Interest, and Additional Interest, if any, to the United States and its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside Cameroon.

6. Cameroon agrees to pay all debt service due and not paid, which is owed to, guaranteed by, or insured by, the United States or its Agencies, but which is not covered by this Agreement as soon as possible but no later than March 31, 1998. Late interest will be charged on these amounts.
7. Cameroon will deposit in the special account established with the Banque de France, FCFA 13 billion each month, the first deposit to be made in December 1997, and the last one to be made in August 2000. Cameroon will arrange to have the Banque de France notify the Chairman of the Paris Club as soon as each deposit has been made. As specific payments under this Agreement and other bilateral agreements concluded pursuant to the Minute become due, Cameroon will draw on the special account to meet these payments; no drawing will be made on the special account for any other repayment before all payments due from October 1, 1997, through August 31, 2000, inclusive under this Agreement and such other bilateral agreements pursuant

to the Minute have been made. Any drawing on this account will be made after a previous 15-day notice to the Banque de France, after which the Banque de France will immediately notify the Chairman of the Paris Club.

8. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.
9. With respect to amounts owing to DOD under this Agreement, Cameroon (referred to as the "Borrower" in Annex F hereto) and DOD agree to the additional terms and conditions set forth in Annex F.
10. With respect to amounts owing to Eximbank under this Agreement, Cameroon (referred to as the "Government" in Annex G hereto) agrees to the additional terms and conditions set forth in Annex G.

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